

TELECOMMUNICATION SERVICES CENTRAL OFFICE EQUIPMENT AND TRANSMISSION EQUIPMENT SALES TAX EXEMPTION

Prior Law

In 2006, Senate File 2390 was adopted to provide a phased-in sales tax exemption on the sale or rental of specified central office and transmission equipment primarily used in the furnishing of commercial telecommunication services by certain telecommunication-service providers. The law defines “central office equipment” and “transmission equipment” and describes the types of providers that are covered. The exemption was phased in beginning July 1, 2006, by providing telecommunication-service providers with a sales tax refund equal to one-seventh of the total tax due. The amount refunded was increased annually by an additional one-seventh.

New Provisions

As of July 1, 2012, the phase-in of the exemption is complete; central office equipment and transmission equipment used by certain telecommunication-service providers is now completely exempt. No payment of tax or subsequent refund is required.

Section Amended

Section 1 of 2006 Senate File 2390 amended section 423.3 by adding new subsection 47A.

Effective Date

July 1, 2012